

PRODUCER COMPENSATION DISCLOSURE

At Integrity Surety, we primarily sell our surety products and services through an extensive network of independent insurance agents and brokers, and we consider this the preferred way of distributing our products. We call these independent agents; “subagents”.

These subagents are not our employees. However, subagents may receive compensation from us for placing their surety business with us.

This is an overview of how we are compensated and how we compensate our subagents. Compensation programs fall into three basic types: 1) base commissions; 2) contingent commissions; and 3) processing & administrative fees. We might receive and or pay all these types of compensation.

- ***Base Commission Programs***

We generally pay subagents a fixed commission for business placed with us. We pay commission on new bonds and renewals. This commission is usually, but not always, a fixed percentage of the premium. The percentage varies according to factors such as the type of business, the type of risk, the Surety Company, and the state where a risk is located. Base commissions received by us, paid by the Surety Company, on new surety bonds and renewals range from a low of 10% to a high of 40% of the premiums on eligible bonds. Base commissions paid by us to subagents on new bonds and renewals range from a low of 5% to a high of 25% of the premiums on eligible bonds.

- ***Contingent Commission Programs***

Contingent commission agreements, sometimes referred to as performance plans or profit sharing programs, provide for payment when we achieve various pre-set goals, such as sales volume, growth, profitability, and retention of business. We do not determine these pre-set goals. We may have separate contingent commission plans with different surety companies. If we have met the goals, the payment amount is usually a percentage of the premium on eligible bonds we have placed.

- ***Processing & Administrative Fees***

Because we provide additional services relating to securing, approving, and issuing bonds for each submission, and because we share the above noted compensation with subagents, we generally charge a processing & administrative fee. The processing & administrative fee may be comparable to the amount we compensate subagents, or may be a percentage of the premium comparable to our base commission. All processing & administrative fees are fully earned when the surety bond is issued.

Additional Information

If you would like additional information regarding the compensation arrangements applicable to your account, please contact your insurance broker or your independent insurance agent directly. Your insurance broker or independent insurance agent can provide additional information about specific compensation received in connection with your bond.

The information set forth above applies to Surety bonds, including Contract and Commercial Surety bonds, and reflects compensation paid on eligible surety bonds written during the most recent contract period. It may not reflect historic compensation rates on all in-force surety bonds.

Compensation paid on any particular surety bond is based on a variety of factors. As a result, producers who have agreements under which they can earn particular types of compensation do not always earn compensation under those agreements.